

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL FIVE)

Docket No. RM2015-13

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 1**
(September 14, 2015)

The United States Postal Service hereby provides its responses to Questions 1-3 of Chairman's Information Request No. 1, issued August 14, 2015. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

1. In Docket No. ACR2014, the Postal Service provided Fiscal Year (FY) 2014 transaction volume for the IMTS—Inbound product.¹
 - a. Please confirm that the FY 2014 transaction volume provided in Docket No. ACR2014 is the number of money orders issued by foreign postal operators cashed at Postal Service retail windows for which foreign postal operators paid the Postal Service a commission for cashing such money orders. If not confirmed, please explain and provide the number of money orders issued by foreign postal operators cashed at Postal Service retail windows for which foreign postal operators paid the Postal Service a commission.
 - b. Please confirm that the Federal Reserve Bank report referred to in the Responses to CHIR No. 1, question 7d is the origin or source of the FY 2014 transaction volume. If not confirmed, please identify the origin or source and provide the FY 2014 transaction volume from the referenced Federal Reserve Bank report.

RESPONSE:

- a. Not confirmed. The numbers provided include money orders cashed both at Postal Service retail windows and cashed at other financial institutions. No breakout between those two types of cashing locations is available, because the FRB report does not distinguish between the two types. Confirmed, however, that the numbers provided in Docket No. ACR2014 relate to money orders originating in countries with which the Postal Service has a commission agreement.
- b. Confirmed.

¹ Docket No. ACR2014, Responses of the United States Postal Service to Questions 1-2, 3a-b, 3d, 4, 6, 7a-e, 8-9, and 11-21 of Chairman's Information Request No. 1, January 16, 2015, question 7d (Responses to CHIR No. 1).

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2. The following requests concern the proxy proposed by the Postal Service to estimate the transaction volume for the IMTS—Inbound product. In Docket No. ACR2014, the Postal Service stated that the Federal Reserve Bank report lists both the dollar value of commissions paid by foreign postal operators to the Postal Service, as well as the number of money orders issued by foreign postal operators cashed at Postal Service retail windows for which a commission was paid by such foreign postal operators.² However, in Docket No. ACR2013, the Postal Service indicates that the Federal Reserve Bank report includes information on all money orders issued by foreign postal operators that are collected from individual Post Office daily deposits (*i.e.*, the foreign-origin money orders cashed at retail windows) and from other financial institutions that cashed international money orders.³
- a. Please provide the number of money orders issued by foreign postal operators cashed by other financial institutions and included in the Federal Reserve Bank report for FY 2014.
 - b. Please confirm that the Federal Reserve Bank report also includes the number of money orders issued by foreign postal operators cashed at Postal Service retail windows for which no commission is paid to the Postal Service by foreign postal operators. If not confirmed, please explain. If confirmed, provide the number of money orders issued by foreign postal operators cashed by the Postal Service in FY 2014 for which no commission was paid.

RESPONSE:

- a. This amount is unknown. The amounts reported from the FRB report include the sum of all money orders cashed at Postal Service retail windows and U.S. banks.
- b. Confirmed. The Postal Service can only verify the total number of money orders cashed in the United States from the countries with which there is no commission

² Response.

³ Docket No. ACR2013, Responses of the United States Postal Service to Questions 3.c and 6 of Chairman's Information Request No. 5, February 20, 2014, question 6c (Responses to CHIR No. 5).

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agreement. The total number includes items cashed at Postal Service retail windows and at U.S. banks.

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3. The following request concerns the proxy proposed by the Postal Service to estimate the transaction volume for the IMTS—Inbound product. In Docket No. ACR2013, the Postal Service stated that the Federal Reserve Bank physically forwards money orders issued by foreign postal operators to a designated Postal Service accounting office. The forwarded money orders include those that are cashed and collected from individual post office daily deposits and from other financial institutions. The accounting office processes and manually enters the information from these money orders into a Postal Service data system for use in settlement with the originating foreign postal operators. Responses to CHIR No. 5. For FY 2014, please provide an electronic database containing data on each cashed money order issued by foreign postal operators that was manually entered into the Postal Service data system.

RESPONSE:

A spreadsheet showing the kind of data available is filed under seal as USPS-RM2015-13/NP1.